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C O N F I D E N T I A L SECTION 01 OF 04 BOGOTA 004894

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TAGS: PREL PTER ECON ETRD ENRG SNAR CO

SUBJECT: A/S SHANNON MEETS PRESIDENT URIBE

Classified By: Ambassador William B. Wood

Reason: 1.4 (b,d)

Summary

¶11. (C) A/S Shannon and Ambassador Wood met with President Uribe on May 26. Shannon emphasized U.S. policy in the region was based on cooperation, not confrontation; promoted democratic institutions and values; and addressed poverty, social exclusion, and inequality. Shannon said European officials praised Colombian diplomacy at the recent EU-Latin America Summit, especially Colombia's deft handling of relations with Venezuela, Peru, Brazil, and Bolivia. Uribe said he planned to intensify the fight against drug traffickers after hearing that the Valle cartel was likely responsible for the "assassination" by the Colombian military of 10 police intelligence officers and a civilian informant. Uribe characterized a recent U.S. Senate immigration vote as positive, and asked for Shannon's help in releasing English and Spanish texts of the Free Trade Agreement. Turning to regional issues, Uribe said, if reelected on May 28, he would work to preserve the Andean Community, moderate conflict with Chavez, and try to persuade Chilean President Bachelet to back Guatemala's bid for a UNSC seat. End summary.

¶12. (C) On May 26, A/S Tom Shannon and Ambassador Wood met with President Uribe for over an hour at the presidential palace (Casa de Narino). Uribe was accompanied by Foreign Minister Carolina Barco and Communications Director Jaime Bermudez. D/polcouns was notetaker.

Uribe to Intensify Drug Fight in Wake of "Assassinations"

¶13. (C) Uribe told Shannon that from preliminary information it appeared that narcotraffickers from the Valle cartel were responsible for the May 24 "assassination" of ten police intelligence (DIJIN) officers and a civilian informant by a Colombian military unit. The same criminals had apparently also threatened attacks against the electoral process. If the report is confirmed, Colombia would need to intensify the fight against drug traffickers who had infiltrated certain police and military units. Uribe said when he heard the news about the likely culprits he was "very worried" and offered a reward of one thousand million pesos (about \$420,000) for information leading to the capture of those responsible. He also immediately asked the civilian, independent Fiscalia (Prosecutor General's office) to assume control of the investigation, rather than the military justice system. Uribe expected a briefing shortly from the National Police

Intelligence chief, General Oscar Naranjo, who was talking to a witness to the murders.

¶ 14. (C) Uribe stressed the importance of Plan Colombia to the anti-narcotics fight and expressed disappointment with European assessments of Colombia's "failure" to win the drug war, saying such comments harmed Plan Colombia. Uribe said Colombia was making "every possible effort" on aerial and manual eradication and understood the importance of showing successes. He was dismayed by reports that famous Colombian singer Juanes had called for the legalization of drugs, which Uribe said would be a "disaster."

Colombia's International Image Improving

¶ 15. (C) Shannon told Uribe he had heard many positive comments about Colombia from European officials on the margins of the recent EU-Latin American Summit in Vienna. Europeans were impressed with Colombian diplomacy and the deft way Colombia had smoothed relations with Venezuela, Peru, Brazil, and Bolivia. Shannon said Colombia was seen as a confident country with a growing international presence. Colombia's contribution in Vienna was especially important because further deterioration of the relationships among Andean neighbors would have been unhelpful. Uribe said he was pleased to hear this news, noting that Colombia tried to be "prudent" and "sincere" in its diplomatic relations. Colombia was not ashamed about Plan Colombia, the Free Trade Agreement, or its alliance with the U.S. Rather than stimulate conflict, Colombia tried to dampen it.

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U.S. Policy in Latin America

¶ 16. (C) Shannon said U.S. policy in Latin America was based on cooperation, not confrontation, and emphasized the importance of democratic institutions and values, and the need to address poverty, social exclusion, and inequality. The U.S. favored concrete, practical cooperation to achieve results. Colombia's success helped the U.S. enormously because Uribe focused on results rather than rhetoric. U/S Hughes' recent visit to Colombia was very important in helping her understand Colombia's success, which she discussed with President Bush. Uribe said Colombia was a loyal ally of the U.S., and also maintained strong relations with its Latin American neighbors.

Post-Election Consultations with U.S., Free Trade

¶ 17. (C) Uribe said he would have to start work right away if reelected on May 28 because he did not expect a traditional honeymoon period; Shannon and Wood noted the U.S. was prepared to send a high-level team to Bogota at a mutually convenient time to discuss U.S.-GOC cooperation during a second term. Uribe asked Shannon for U.S. assistance during discussions the week of May 29 to wrap up discrepancies on the English and Spanish versions of the FTA, saying he defended FTA but faced significant domestic criticisms. Both leading opposition candidates attacked him repeatedly on the issue.

Immigration, Domestic Politics

¶ 18. (C) Uribe regarded the U.S. Senate's recent vote on immigration legislation as very positive and asked Shannon about next steps. Shannon said the key to securing positive legislation lay in the Conference process with the House of

Representatives, where the White House would seek to preserve as much of the Senate bill as possible. Turning to Colombian politics, Uribe said he was concerned at news the opposition Polo Democratico Alternativo had hired 3,000 taxis in Barranquilla to shuttle voters to the polls throughout the day on May 28. He said opposition candidates had outspent him significantly during the campaign due to legislative spending limits imposed on an incumbent president seeking reelection.

Regional Issues - Venezuela

¶9. (C) Uribe told Shannon that every time he sees Chavez the Venezuelan President complains he has no dialogue with the U.S. Shannon said the U.S. was interested in cooperation with Venezuela on at least four concrete issues (trade, energy, counter-narcotics, and counter-terrorism) but had not been able to obtain Venezuelan agreement; the Venezuelans had even attacked our Ambassador. Uribe said he would offer to facilitate Chavez's communication with the U.S. on such issues when he saw him, probably not long after the May 28 election. (FM Barco said she would see Venezuelan FM Ali Rodriguez on June 14.) Uribe characterized Colombia's approach to relations with Venezuela as "prudent," then noted Chavez's recent positive statements about the Chavez-Uribe relationship. Uribe said Chavez was pragmatic and likely was stung by criticisms in Europe that he was a polarizing figure. Uribe criticized "deinstitutionalization" of democracy in Venezuela, saying that a modern state cannot be run by a "caudillo" but rather should be managed through stable, predictable institutions. When Chavez leaves office one day he will bequeath Venezuela a state without institutions. Unlike Chavez, who could order the Central Bank and State Television to do whatever he wanted, Uribe said he was a "subordinate" who had to follow democratic processes.

¶10. (C) In response to Uribe's question, FM Barco said Venezuela was persisting in its decision to leave the Andean Community of Nations. Withdrawal would take place over 5 years, however, unlike Venezuela's withdrawal from the G3 (comprising Colombia, Mexico and Colombia), which would be effective after 180 days. The FM said there were discussions among Colombia, Panama, and Mexico about expanding the G3 to include Central America. Mexico had suggested continuing the

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discussions after its own elections, scheduled for July 2.

¶11. (C) Uribe said he had received contradictory information about the Venezuelan economy: some said Chavez is attracting investment and tackling poverty, but others contended the investment was mostly in the oil sector, and that poverty statistics were not trustworthy. Shannon said Chavez had undermined the efforts of successive Venezuelan governments to strengthen competitiveness and productivity, focusing instead on controlling economic and political activity. Chavez had launched anti-poverty programs but they created dependence on the state (and therefore on Chavez), instead of enabling citizens to become independent and productive. Chavez used the power of the state to grant and retract privileges; his desire to control everything meant that those who stood in his way faced suffering. Uribe said the GOC's Minister of Energy and Mines did not believe Venezuela was pumping at the high rate Chavez claimed; Wood said it was ironic that Chavez's nationalist emphasis at PDVSA (and failure to reward competence and professionalism) meant PDVSA's share of oil production appeared to be falling.

¶12. (C) Shannon said Venezuela was a "superhighway" for drug trafficking. Colombia and Brazil had solid interdiction programs and Venezuela lacked enforcement, which meant criminals used Venezuelan rivers and air space to ship drugs to and through the Caribbean to the U.S. U.S. assistance to

Venezuela on customs and port security was hampered by extensive Venezuelan corruption; it was especially difficult to work with the police. (FM Barco interjected that Guyana and Trinidad and Tobago had approached the GOC seeking counter-narcotics assistance.)

Regional Issues - Brazil and Bolivia

¶13. (C) Shannon told Uribe Brazil was surprised and disappointed with Bolivia's nationalization of the hydrocarbon sector; Brazil's patience in public did not reflect its lack of patience in private. Brazil made it clear to Morales that Bolivia needs Brazil more than Brazil needs Bolivia. Brazil also told Chavez he had damaged Morales with his interventions in Bolivia. Shannon said neither Brazil nor the U.S. wanted to abandon Morales to Chavez. The U.S. relationship with Morales started out reasonably well but became harder. Morales was surprised by his first round election victory and was worried about the upcoming Constituent Assembly. Shannon said Morales had not expected a first round victory, and originally saw the Constituent Assembly as necessary to seize control of the state. Now, however, Morales feared that the Assembly would be used by his enemies, and therefore was intent on winning a majority of seats. In general, Shannon said, Morales retained significant support and his nationalization decision was popular. However, his government lacks resources and capacity. Wood asked Uribe if GOC Energy and Mines Minister Mejia could reach out to Morales, but FM Barco responded that the GOC can hardly get its phone calls to La Paz returned. Barco said she thought Petrobras would continue to manage Bolivian fields.

Regional Issues - Mexico, Nicaragua, Ecuador, Peru

¶14. (C) Shannon answered Uribe's question about the state of the Mexican presidential race by saying Felipe Calderon is leading and might win if he can solidify middle class support through June. Manuel Lopez Obrador had made some campaign mistakes. On Ecuador, Uribe said he had talked on May 25 to President Palacio, who said he had been "forced" to take the decision to cancel Occidental Petroleum's contract in Ecuador and seize the company's assets. Uribe asked how this action had affected U.S. FTA talks with Ecuador. Shannon said Oxy "had almost had a solution" to its dispute with the GOE (which would have maintained the Ecuador reserves -- 15% of Oxy's worldwide reserves -- on the company's books) but Palacio made a political decision to act against the company. This put in doubt FTA talks and APTDEA. The U.S. was trying not to inflame the situation but this was a "very tough" problem. Palacio's decision to send FTA negotiators to Washington was not easy for him, but his Oxy action had created a "great obstacle" to progress on trade. With regard to Peru, FM Barco noted Alan Garcia's lead had shrunk to eight points, according to the most recent poll, and Garcia was taking nothing for granted in advance of the June 4

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election.

Support for Guatemala at UNSC

¶15. (C) Uribe said the GOC supported Guatemala's bid for the available Latin American seat on the UNSC but had heard that Chile would support Venezuela. In Shannon's view, Guatemala's positive showing at the recent Human Rights Council vote (elected, better total than Venezuela, which was defeated) was a good omen. Guatemala is making its case well. The problem, he said, is that Mercosur countries apparently believe they have an obligation to support

Venezuela. President Bachelet has not found a way to break Mercosur consensus. Shannon said Secretary Rice had recently told Chilean FM Alejandro Foxley in strong terms that a Chilean vote for Venezuela would be a disaster. Chile had a different, more responsible, international profile than other Mercosur countries. It should demonstrate that it had an independent voice. Foxley appeared very uncomfortable and gave the impression he was thinking of ways to persuade Bachelet to change her mind. U.S. pressure would likely not help at the moment. Shannon emphasized that Chavez was undesirable not only because of his unpredictable behavior or his alliances with countries such as Iran, but because he would use the UNSC platform to try to divide the U.S. from Latin America and would purport to speak for the region. Ambassador Wood noted that at the UNSC Chavez would have daily opportunities to confront the U.S. Uribe planned to visit Chile soon and would raise the UNSC issue.

¶16. (U) A/S Shannon cleared this message.
WOOD